REMARKS

I. OFFICE ACTION SUMMARY

Claims 1-19 are presently pending. Claims 1, 8, 14 and 16 are the independent claims. In the Office Action, the Examiner rejected of Claims 1 and 3-17 as anticipated by Cohen et al. (US 5,946,380) under 35 U.S.C. §102(e), and Claim 2 as obvious over the combination Cohen and Taskett (US 5,762,376). The Examiner indicated that Claims 18-19 would be allowable if rewritten in independent form.

II. CLAIM REJECTIONS UNDER 35 U.S.C. §102

The Examiner rejected Claims 1 and 3-17 under 35 U.S.C. § 102(e) as anticipated by Cohen et al. The Cohen reference discloses a communication system and method of expenditure control where a call expenditure control server 125 provides prepaid or post paid calling services to callers (Col. 3, lines 7-23). The call expenditure control server in Cohen utilizes a control program 224 in a control processor 102 to "monitor[s] the call in progress to determine how much time has elapsed" (Col. 2, lines 30-32) and otherwise continuously monitors the time and value of each call made (Col. 6, lines 19-27; Col. 4, lines 42-47; Col. 4, lines 56-59). Thus, all prepaid telephone calls are individually monitored for duration in Cohen.

CLAIM 1

Although Applicants respectfully disagree with the current rejection of Claim 1 for reasons previously stated, Claim 1 of the present application has been amended to expedite allowance of the current application. Specifically, Claim 1 has been amended to clarify that individual calls are not monitored to determine the expiration of a service period of a prepaid local telephone service program. Unlike Cohen, Claim 1 relates to a prepaid local telephone service where the period of service does not relate to the length of individual calls and, therefore, the expiration of a period of service is unrelated to a particular call. Expanding on the information already in Claim 1, Applicant has clarified the claim to recite, *inter alia,*

monitoring the period of prepaid service at the prepaid local telephone call database independently of a duration of any prepaid telephone call made during the period of prepaid service

This feature is entirely absent from Cohen. Further, Cohen teaches away from Claim 1 by requiring active monitoring of each prepaid telephone call. (See, for example, Col. 4, lines 55-59)

As explained in greater detail in the present specification, for example on page 9, lines 7-27, page 12, lines 4-24, and page 13, lines 23-32, the period of service is not a period of a single call. Instead, the period of service relates to an overall period in which a number of calls may be made and where no continuous call monitoring is required as in Cohen. In contrast to the period of service determination and monitoring claimed in Claim 1, Cohen requires that each individual call be tracked and that the control processor be involved in the entirety of each call to calculate duration and decrement a value for the call (Col. 4, lines 56-59). The invention of Claim 1 recites tracking an entire service period (e.g. a 30 day counter – see, for example, page 9, lines 7-13 and page 12, lines 3-23 in the specification as filed) as opposed to Cohen where call-by-call and minute-by-minute monitoring are required.

Claim 1 clearly recites "monitoring the period of prepaid service. . . independently of a duration of any prepaid telephone call. . ." and distinguishes over both the manner in which Cohen describes handling prepaid calls and the non-prepaid calls made outside of the prepaid service period.

Accordingly, for at least the reasons set forth above, Applicants respectfully submit that Claim 1 distinguishes over the cited art. Claims 2-7 are dependent claims, therefore their allowability directly follows from allowability of independent Claim 1.

CLAIM 8

Amended Claim 8 recites an applications server in a prepaid local telephone service system where the applications server includes, *inter alia*,

means for monitoring a subscriber prepaid service period without monitoring a duration of individual telephone calls during the subscriber prepaid service period and without monitoring a dollar

value of individual telephone calls during the subscriber prepaid service period

Although Applicant submits that the aspect of monitoring a period of prepaid service was inherently part of the previous language of this claim, Applicant has amended Claim 8 to make even more clear that the monitoring step relates to monitoring the period of prepaid service without monitoring a call duration and does not relate to non-prepaid service such as those discussed in Cohen. Cohen discusses an entirely different system and method that utilizes an old form of prepaid calling (where each call is actively monitored for time and cost) and then, when the prepaid balance is gone, allows calls to connect through a post-paid account. (See "soft-stop" embodiment, Col. 3, lines 41-60). Claim 8 relates to activities **during the subscriber prepaid service period** and does not recite any activity during a post-paid (non-prepaid) period.

As discussed with respect to Claim 1, the Cohen reference teaches that individual calls are monitored for their duration and that the subscriber account is decremented in time and value for each call (See Col. 4, lines 42-47 and 56-59). Applicants respectfully submit that Claim 8 distinguishes over the Cohen reference. Claims 9-13 are dependent claims, therefore their allowability directly follows from the allowability of independent Claim 8.

CLAIM 14

Although of different scope than Claim 8, independent Claim 14 also recites how a period of prepaid service is monitored independently of the calls made during that period. For example, the method of Claim 14 includes:

> **monitoring the period of prepaid service** for the prepaid subscriber account at the prepaid local telephone service database **independently of a duration and a dollar value of a prepaid subscriber telephone call**

The Cohen reference teaches actively monitoring each telephone call and decrementing time and dollar value balances for a subscriber ("once a connection is established, the server tracks the progress of the call using the control program 224 and

decrements the time and dollar balance accordingly. . . ." – Col. 4, lines 56-59). More specifically, Cohen recites "establishing a maximum allowable time for the caller's call based on the information [on the caller's account] and the destination of the caller's call. The processor monitors the call in progress to determine how much time has elapsed." Col. 2, lines 27-31). Even in one embodiment discussed in Cohen ("soft-stop" option - Col. 3, line 41 et seq.) where the prepaid account expires and regular billed payment starts up, the billed payment of Cohen monitors cost per call. In contrast to this, Claim 14 recites monitoring the period of service independently from a duration and a dollar value of a subscriber's telephone call. For at least these reasons, Applicants respectfully submit that Claim 14 is allowable over the art of record. Claim 15 is a dependent claim, therefore its allowability directly follows from the allowability of independent Claim 14.

CLAIM 16

Claim 16 relates to method of providing prepaid local telephone services to a subscriber having a telecommunications device connected to a subscriber line and in communication with a telephone network via the subscriber line. Claim 16 recites, *inter alia,*

> **monitoring the period of prepaid service** for the prepaid subscriber account at the prepaid local telephone service database **without monitoring a duration of individual prepaid telephone calls and without monitoring a dollar value of individual prepaid telephone calls.**

As described in greater detail above, the Cohen reference fails to teach or disclose a prepaid local telephone service. Cohen et al. not only fails to teach a prepaid local telephone system, it also fails to teach or suggest monitoring a period of prepaid service without monitoring a duration or a dollar value of individual telephone calls. Applicant respectfully submits that, for at least the same reasons as provided for Claims 1, 8 and 14, Claim 16 is allowable over the art of record. Claims 17-19 are dependent claims, therefore their allowability directly follows from the allowability of independent Claim 16. Reconsideration is respectfully solicited.

III. CLAIM REJECTIONS UNDER 35 U.S.C. §103(a)

A. Rejection of Claim 2 over the combination of Cohen and Taskett

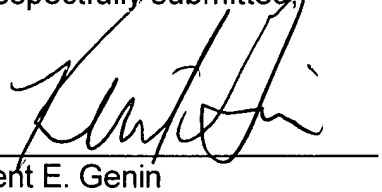
Claim 2 is a dependent claim, therefore it is allowable for at least the same reasons as provided for Claim 1 above.

IV. CONCLUSION

Applicants have amended Claims 1, 8, 14 and 16 to bring out more clearly the inherent feature already present in these claims that the monitoring of a period of prepaid service is done without monitoring individual calls during the prepaid period of service. Cohen teaches away by requiring calls to be monitored during the prepaid period of service. Applicant notes that the reference in Cohen to a "soft-stop" embodiment that allows NON-prepaid calls to go through on a standard billed (post-paid) format is discussing a totally different situation than that of the claimed invention. Applicants disagree with the current rejections and reserve the right to refile unamended Claims 1, 8, 14 and 16 in a continuation application. Pursuant to 37 C.F.R. § 1.121, a marked up copy of amended Claims 1, 8, 14 and 16 is attached. Applicants submit that the present amendments are fully supported by the specification as filed.

In light of the above amendments and remarks, Applicants submit that all of the pending Claims (1-19) are in condition for allowance. If any questions arise or issues remain, the Examiner is invited to contact the undersigned at the number listed below in order to expedite disposition of this application.

Respectfully submitted,



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APPENDIX A

1. (Twice amended) A method for providing prepaid local telephone services to a subscriber having a telecommunications device connected to a subscriber line and in communication with a telephone network via the subscriber line, the method comprising:

receiving a telephone call from the subscriber;

identifying a prepaid subscriber account in a prepaid local telephone call database for the subscriber based on the telephone number of the subscriber;

receiving a value identification code associated with a prepaid local telephone service program;

determining a period of prepaid service for the identified subscriber account;

monitoring the period of prepaid service at the prepaid local telephone call database independently of a duration of any prepaid telephone call made during the period of prepaid service; and

sending termination date information to the subscriber prior to an expiration of the period of prepaid service, wherein the expiration of the period of prepaid service is unrelated to a duration of [a] individual subscriber telephone [call] calls made during the period of prepaid service.

8. (Three times amended) In communication with a telephone network having at least one local exchange carrier in communication with at least one subscriber, a system for providing prepaid local telephone services comprising:

a prepaid local telephone call service center in communication with the at least one local exchange carrier, the prepaid local telephone service call service center comprising:

an applications server having a processor and a prepaid subscriber database, the prepaid subscriber database comprising subscriber prepaid service period information and subscriber identification information, the applications server further comprising means for monitoring a subscriber prepaid service period without monitoring a duration of individual telephone calls during the subscriber prepaid service period and without monitoring a dollar value of individual telephone calls during the subscriber

prepaid service period and means for automatically communicating service termination date information to a subscriber prior to an expiration of the subscriber prepaid service period.

14. (Three times amended) A method of providing prepaid local telephone services to a subscriber having a telecommunications device connected to a subscriber line and in communication with a telephone network via the subscriber line, the method comprising:

establishing a prepaid subscriber account on a prepaid local telephone service database, the prepaid subscriber account comprising subscriber identification information and a period of prepaid service;

monitoring the period of prepaid service for the prepaid subscriber account at the prepaid local telephone service database independently of a duration and a dollar value of a prepaid subscriber telephone call; and

sending service termination information to the subscriber prior to an expiration of the period of prepaid service.

16. (Twice amended) A method of providing prepaid local telephone services to a subscriber having a telecommunications device connected to a subscriber line and in communication with a telephone network via the subscriber line, the method comprising:

establishing a prepaid subscriber account on a prepaid local telephone service database, the prepaid subscriber account comprising subscriber identification information and a period of prepaid service;

monitoring the period of prepaid service for the prepaid subscriber account at the prepaid local telephone service database without monitoring a duration of individual prepaid telephone calls and without monitoring a dollar value of individual prepaid telephone calls;

sending a reminder message to the prepaid subscriber prior to an expiration of the period of prepaid service; and

sending a suspend message to the telephone network, the suspend message comprising an instruction to suspend local telephone service for the subscriber and to place the prepaid subscriber account on hold, wherein the prepaid subscriber account is maintained in an inactive state.